

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SUPERVISOR OF WELLS

IN THE MATTER OF

THE PETITION OF SCHMUDE OIL, INC., FOR AN)	
ORDER FROM THE SUPERVISOR OF WELLS FORMING)	
A FULL TRAVERSE LIMESTONE FORMATION DRILLING)	CAUSE NO. 10-2009
UNIT BY COMPULSORY POOLING ALL INTERESTS)	
INTO THE DRILLING UNIT.)	

NOTICE OF HEARING

Take notice that a contested case hearing will be held before the Supervisor of Wells (Supervisor) in the city of Lansing, Michigan, on the THIRD DAY OF DECEMBER (DECEMBER 3) 2009, BEGINNING AT 10:00 A.M., AT THE DEPARTMENT OF ENVIRONMENTAL QUALITY, TOM DOWNS HEARING ROOM, ATRIUM LEVEL, SOUTH TOWER, CONSTITUTION HALL, 525 WEST ALLEGAN STREET, LANSING, MICHIGAN. The hearing will be conducted pursuant to Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.61501 et seq.; the administrative rules, 1996 AACRS, 2001 MR 2, 2002 MR 23, R 324.101 et seq.; and the Administrative Procedures Act, 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.

The hearing is for the purpose of receiving testimony and evidence pertaining to the need or desirability of issuing an order in the matter of the petition of Schmude Oil, Inc., (Petitioner), 2150 South Airport Road, West, Suite B, Traverse City, Michigan 49684.

Petitioner seeks an order of the Supervisor, consistent with R 324.301(1)(a), to form a full 40-acre Traverse Limestone Formation drilling unit for the proposed State Blair & Harlan 1-29 well by compulsory pooling all interests into the drilling unit, pursuant to R 324.304. The proposed drilling unit consists of the SE 1/4 of NE 1/4 of Section 29, T26N, R11W, Blair Township, Grand Traverse County, Michigan.

You can obtain a copy of the written petition by requesting one in writing from Mr. David Kelly, Landman for Petitioner, 2150 South Airport Road, West, Suite B, Traverse City, Michigan 49684, telephone number 231-947-4410

Take note that if you wish to participate as a party in the hearing by presenting evidence or cross-examining witnesses, you shall prepare and mail or otherwise deliver to the Petitioner and Supervisor, not less than 5 days before the hearing date, an answer to the petition in the manner set forth in R 324.1204(6). Proof of mailing or delivering the answer shall be filed with the Supervisor on or before the date of the hearing. The answer shall state with specificity the interested person's position with regard to the

petition Failure to prepare and serve an answer in a timely manner shall preclude you from presenting evidence or cross-examining witnesses at the hearing. If an answer to the petition is not filed, the Supervisor may elect to consider the petition and enter an order without oral hearing. Mail the answer to the petition to Mr. David Kelly at the above address, and to the Supervisor in care of the Assistant Supervisor of Wells, Mr. Harold R. Fitch, Office of Geological Survey (OGS), P.O. Box 30256, Lansing, Michigan 48909-7756.

Take further note that you may request a change in the location of the hearing to the county in which the proposed drilling unit is located. If the majority of the owners of the oil and gas rights, which are listed in the Petition as not voluntarily pooling their interests into the proposed drilling unit, include in their timely filed answers a request to hold the hearing in the county where the proposed drilling unit is located, the Assistant Supervisor of Wells shall: (i) at the time and place scheduled in this notice adjourn the scheduled hearing; (ii) reschedule the hearing for a location in such county, and (iii) provide, by first-class mail, notice of the rescheduled hearing date, time, and place prior to the rescheduled hearing date to all persons who filed an answer in response to this notice.

Questions regarding Notice of Hearing should be directed to Ms. Susan Maul, Michigan Department of Environmental Quality, OGS, P.O. Box 30256, Lansing, Michigan 48909-7756, phone 517-241-1552. Persons with disabilities needing accommodations for effective participation in this hearing should call or write Ms. Maul at least a week in advance of the hearing date to request mobility, visual, hearing, or other assistance

Dated: Oct. 26, 2009


HAROLD R. FITCH
ASSISTANT SUPERVISOR OF WELLS
Office of Geological Survey
P.O. Box 30256
Lansing, MI 48909-7756